Government of Saskatchewan

Annual Report 1984-85

Saskatchewan Public Employees Superannuation Plan

86-03336/

His Honour F. W. Johnson
Lieutenant Governor
Province of Saskatchewan

Sir:

I have the honour to transmit herewith the eighth Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1985.

I have the honour to be, Sir.

Your Obedient Servant

Myles Morin
Minister in Charge
Public Employees Superannuation Plan

The Honourable Myles Morin
Minister in Charge
Public Employees Superannuation Plan
Regina, Saskatchewan

Sir:

On behalf of the Public Employees Superannuation Board, I have the honour to present herewith the eighth Annual Report of the Public Employees (Government Contributory) Superannuation Plan for the fiscal year ended March 31, 1985.

Respectfully submitted,

Public Employees Superannuation Plan

Brian Smith
Chairman

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Introduction

The Public Employees (Government Contributory) Superannuation Plan was established by Section 38 of The Superannuation (Supplementary Provisions) Act.

The Plan was established October 1, 1977 for new public sector employees of the Government of Saskatchewan and introduced the concept of money accumulation pension plans to those employees. Employees previously covered by The Public Service Superannuation Act, The Saskatchewan Power Superannuation Act, The Saskatchewan Telecommunications Superannuation Act, The Liquor Board Superannuation Act and The Workmen's Compensation Board Superannuation Act had the opportunity to transfer to the Public Employees Superannuation Plan prior to October 1, 1978.

The Plan was introduced to better meet the needs of a more mobile work force as well as end increasing uncertainty over funding liabilities in existing pension plans.

Operation of the Plan

Members of the Plan contribute 5% of their salary to the Public Employees Superannuation Fund. The member's employer contributes a matching amount. Additional voluntary contributions are permitted by the member, but are not matched by the employer.

The assets of the Fund are invested and any earnings are credited to the individual members' accounts. The accumulated contributions and interest form the basis of the members' retirement benefit.

Earnings of the fund are distributed to the members' accounts at the end of each fiscal year, with proportionate interest being credited on termination refunds or other benefits paid out during the year.

The Supervisory Board has delegated most of the responsibility for the investment of the fund to the Investment and Financial Services Division of Saskatchewan Finance. Investments are made in accordance with The Canadian and British Insurance Companies Act (Canada) and The Department of Finance Act, 1983 (Saskatchewan).

If the member commenced prior to August 1, 1982, member contributions are locked in and the employer share vested with the member after three years participation in the Plan. If the member commenced on or after August 1, 1982, the member's contributions are locked in and the employer's share becomes vested at age 25 if the member has one year of service or more, and at the completion of one year of service if the member is over age 25.

Those members who retire are entitled to an annuity. If the member is married that annuity must be a joint annuity guaranteed for the life of the member and spouse. Single members may elect a life annuity choosing a 15-year guarantee or return of equity at retirement. They may also elect a joint life annuity based on their life and that of a dependant. Male and female employees who retire at the same age with the same equity in the Plan will receive equal monthly benefits as unisex mortality tables are used in the calculation of the annuity.

Members may retire any time after age 55 if they have participated in the Plan for at least one year, or at any time after the completion of 35 years participation in the Plan. The Public Employees Superannuation Plan also makes provision for those members who die, either prior to or after retirement. For those members who die after retirement, the benefit that continues to one's spouse or beneficiary will depend on the annuity option selected at retirement. The Plan has a guarantee that the minimum total paid to individuals and/or their estate will equal the amount used to purchase the annuity.

For those members who die prior to retirement, both the employee and employer amounts are available to the employee's spouse, or beneficiaries if there is no spouse. The employee's spouse has several options available. Funds may be left in the Plan until the spouse wishes to purchase an annuity, the total amount standing to the members credit may be taken in a lump sum payment, or they may take an immediate or deferred annuity. If there is no spouse, a lump sum settlement will be paid to the employee's estate or beneficiary.

Reciprocal Agreements

Subject to the approval of the Lieutenant Governor in Council, the Supervisory Board may enter into reciprocal pension agreements with other public sector employers. These agreements provide for the transferring of superannuation credits (equity and service) when changing employment. Agreements are presently in effect between the Public Employees Superannuation Plan and the following plans:

- Government of Canada Superannuation Plan
- Crown Investments Corporation Superannuation Plan
- Saskatchewan Teachers' Superannuation Plan
- Municipal Employees Superannuation Plan
- Saskatchewan Government Insurance Superannuation Plan
- Saskatchewan Health-Care Association Superannuation Plan
- Ontario Hospital Association
- Civil Service Superannuation Board of Manitoba
- Regina Civic Employees Superannuation and Benefits Plan
- Ontario Municipal Employees Retirement System
- Ontario Council of Regents for Colleges of Applied Arts and Technology
- Public Service Superannuation Fund of the Province of New Brunswick
- Pension Plan for Employees of the Saskatchewan Research Council

Reciprocal agreements are a method of improving the portability and flexibility of pension service credits and funds. The Supervisory Board will continue to seek agreements with other public sector employers.

Administration

Expenses associated with the administration of the Plan are not a charge to the Public Employees Superannuation Fund, but are paid out of funds appropriated by the Legislature. The Public Employees Benefits Agency of Saskatchewan Revenue and Financial Services provides the day to day management of the Plan.

In accordance with Section 39 of The Superannuation (Supplementary Provisions) Act, the Plan is administered by a seven member Supervisory Board representing employees and participating employers. The Chairman/Executive Officer of the Board, Allan Palmer, resigned shortly after the end of the fiscal year; the Board wishes to sincerely thank Mr. Palmer for his years of service and leadership to the Plan.

The Board also extends its appreciation to the staff of the Public Employees Benefits Agency and to those persons within other government departments, agencies and crown corporations whose co-operation and assistance during the year contributed to the continued successful operation of the Plan.

Chairman/Executive Officer

Brian Smith

Representing Employers

Dr. Hugh D. Walker (Finance)
A. J. (Tony) Bast (Sask. Power)
Gerry Kraus (Revenue)

Representing Employees

John O. Hanson (S.G.E.U.)
R. D. (Ray) Bidwell (C.W.C.)
R. M. (Bob) Gilchrist (I.B.E.W.)

1984-85 Highlights

Fund Activity

The members' accumulated balances in the Public Employees Superannuation Fund rose from $151,390,166 at March 31, 1984 to $203,219,333 at March 31, 1985; a net increase of $51,829,167.

Employee and employer contributions for the year totalled $31,757,640 compared with $29,573,399 the previous year. Another $890,772 was received through transfers into the Plan under reciprocal agreements with other registered pension plans; in 1983-84 those transfers totalled $1,075,061. Investment earnings allocated to members' accounts during 1984-85 totalled $23,217,072, the amount allocated for 1983-84 was $18,025,142.

Termination refunds for 1984-85 were $1,844,174, reciprocal transfers out were $1,536,934, and death benefits paid totalled $199,525; in 1983-84, the comparable figures were $2,399,482, $633,764 and $106,104 respectively.

Members' accounts totalling $454,816 were applied towards the purchase of annuity contracts administered by the Plan.

Membership Status

Membership in the Plan rose from 14,030 on March 31, 1984 to 14,795 on March 31, 1985 as shown in the following table:

Membership — March 31, 1984		14,030
Add:		
Enrollments during year	1,501	
Reciprocal transfers in	54	1,555
		15,585
Less:		
Terminations refunded	622	
Death benefits paid	16	
Reciprocal transfers out	42	
Retirement annuities	110	790
Membership — March 31, 1985		14,795

Interest Rate

For 1984-85, the Public Employees Supervisory Board declared an interest rate on contributions of 14.17%. Funds available for allocation to members' accounts totalled $23,342,959. The Board allocated $23,217,072 to members' accumulated balances and a further $118,693 to annuity underwriting operations.

Reciprocal Agreements

An additional reciprocal agreement allowing the transfer of pension credits and funds was negotiated and signed during the year. Effective January 4, 1985 an agreement was signed with the Saskatchewan Research Council.

Member Groups

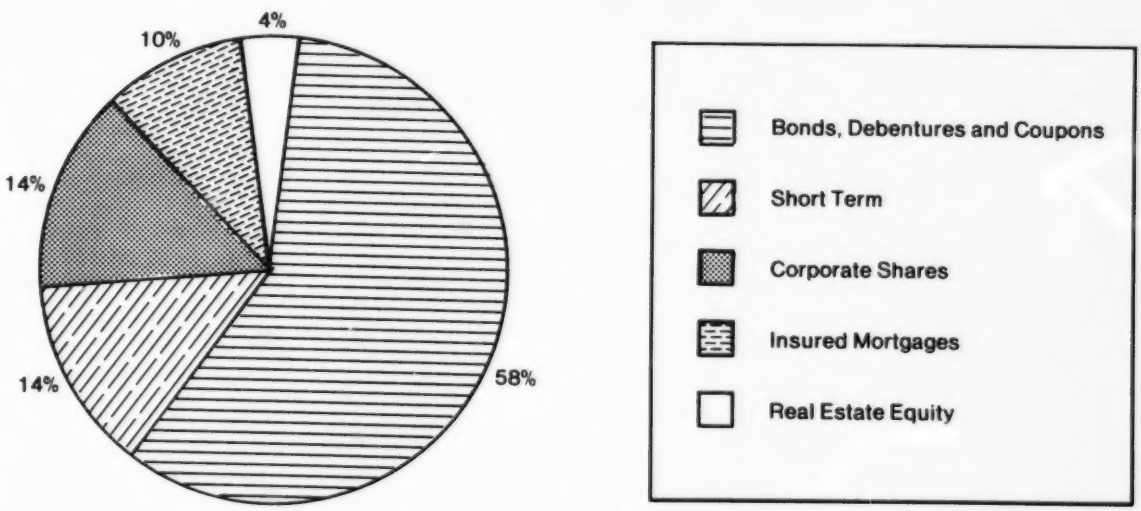
Members of the Plan represent a broad range of Saskatchewan public service employees. Agencies and the number of contributors to the plan are listed below:

	March 31 1984	March 31 1985
Agricultural Credit Corporation of Saskatchewan	38	39
Alcohol and Drug Abuse Commission of Saskatchewan	43	50
Battlefords Regional Care Centre	9	8
Extendicare/Saskatoon Sanatorium	13	12
Government of Saskatchewan	7,805	8,037
Headstart Employment Corporation	—	7
Meewasin Valley Authority	14	16
Milk Control Board	2	2
North Sask Electric	18	17
Northern Forest Operations	—	16
Office of the Leader of the Opposition	2	3
Office of the Provincial Auditor	54	56
Palliser Regional Care Centre	1	1
Potash Corporation of Saskatchewan	1	—
Prairie Agricultural Machinery Institute	38	36
Provincial Senior Citizen's Council	3	2
Public Utilities Review Commission	3	5
Regina General Hospital	9	9
St. Louis Alcoholism Rehabilitation Centre	13	13
Saskatchewan Anti-Tuberculosis League	15	15
Saskatchewan Arts Board	3	5
Saskatchewan Beef Stabilization Board	17	17
Saskatchewan Cancer Foundation	93	109
Saskatchewan Centre of the Arts	11	15
Saskatchewan Community Legal Services Commission	1	1
Saskatchewan Computer Utility Corporation	118	124
Saskatchewan Crop Insurance Corporation	52	54
Saskatchewan Health Research Board	1	1
Saskatchewan Hog Marketing Commission	9	10
Saskatchewan Hospital Services Plan	55	55
Saskatchewan Housing Corporation	115	97
Saskatchewan Liquor Board	152	175
Saskatchewan Medical Care Insurance Commission	62	70
Saskatchewan Oil and Gas Corporation	1	2
Saskatchewan Power Corporation	1,294	1,323
Saskatchewan Prescription Drug Plan	25	26
Saskatchewan Telecommunications	2,175	2,222
Saskatoon Regional Community College	29	63
South Saskatchewan Hospital Centre	1	1
South Saskatchewan River Irrigation District	1	1
University of Saskatchewan	1	1
Wakamow Valley Authority	2	2
Wascana Centre Authority	72	82
Western Development Museum	32	33
Workers' Compensation Board	121	132
Total Active Employees	12,524	12,965
Inactive Employees	1,506	1,830
Total Employees	14,030	14,795

Investments

The assets of the Public Employees Superannuation Fund are invested by Saskatchewan Finance, Investment and Financial Services Division. Investments are of high quality to yield the best possible return with minimum risk. The investment portfolio at March 31, 1985 contained the following assets:

Investments by Type



Public Employees Superannuation Plan Investments

Corporate Bonds	$43,457,657	
Government of Saskatchewan Bonds	25,583,866	
Government of Canada Bonds	20,284,083	
Other Provincial Bonds	14,464,312	
Municipal Bonds	5,433,754	
Government of Canada Coupons	5,018,089	
Total Bonds and Coupons		$114,241,761
Short Term		28,719,230
Stocks		27,432,134
Mortgages		19,702,158
Real Estate		7,109,464
Total Investments		$197,204,747

Public Employees (Government Contributory) Superannuation Fund
Schedule of Investment Transactions
Year Ended March 31, 1985

Bonds, Debentures and Coupons Purchased	Maturity Date	Interest Rate %	Cost	% Yield	Par Value
Gov't. of Canada	Dec. 15, 2000	9.75	$ 767,500	13.23	$ 1,000,000
Gov't. of Canada	May 1, 2002	10.00	1,020,600	12.25	1,215,000
Gov't. of Canada	Sept. 1, 2005	12.25	1,909,844	12.72	2,125,000
Gov't. of Canada	Sept. 1, 2005	12.25	1,795,000	13.74	2,000,000
Gov't. of Canada	Sept. 1, 2005	12.25	926,700	13.29	1,000,000
Gov't. of Canada	Sept. 1, 2005	12.25	981,700	12.50	1,000,000
Gov't. of Canada	Mar. 1, 2005	12.00	537,750	13.49	600,000
Gov't. of Canada	Mar. 1, 2005	12.00	500,968	13.91	575,000
Gov't. of Canada	Mar. 1, 2005	12.00	918,750	13.15	1,000,000
Gov't. of Canada	Mar. 1, 2005	12.00	2,767,500	13.29	3,000,000
Gov't. of Canada	Apr. 1, 1994	13.00	492,500	13.28	500,000
Gov't. of Canada	Apr. 1, 1994	13.00	985,000	13.27	1,000,000
Gov't. of Canada	Feb. 1, 1993	11.25	495,688	13.17	550,000
Gov't. of Canada	Feb. 1, 1993	11.25	926,600	12.70	1,000,000
Gov't. of Canada	Oct. 1, 2006	14.00	496,250	14.10	500,000
Gov't. of Canada	Oct. 1, 2006	14.00	498,750	14.03	500,000
Gov't. of Canada	Oct. 1, 2006	14.00	516,250	13.53	500,000
Gov't. of Canada	Mar. 1, 2007	13.75	500,000	13.75	500,000
Gov't. of Canada	Mar. 1, 1994	12.00	996,875	13.79	1,100,000
Gov't. of Canada	May 15, 1994	13.75	995,000	13.83	1,000,000
Gov't. of Canada	May 15, 1994	13.75	521,200	12.90	500,000
Gov't. of Canada	Oct. 1, 1994	12.75	986,250	13.00	1,000,000
Gov't. of Canada	Dec. 15, 1994	12.50	992,500	12.62	1,000,000
Gov't. of Canada	Dec. 15, 2002	11.25	1,028,500	12.146	1,100,000
Gov't. of Canada	Mar. 1, 2006	12.50	2,577,250	12.62	2,600,000
Gov't. of Canada	Feb. 1, 1995	12.25	1,290,250	12.38	1,300,000
Gov't. of Canada	Feb. 1, 1995	12.25	1,105,500	12.36	1,100,000
Province of Sask.	Feb. 1, 2002	9.00	1,627,622	12.77	2,130,000
Province of Sask.	Dec. 1, 2002	13.00	1,000,000	13.00	1,000,000
Province of Sask.	Mar. 30, 2003	12.25	449,800	13.75	500,000
Province of Sask.	Mar. 30, 2003	12.25	442,200	14.00	500,000
Province of Sask.	Mar. 30, 2003	12.25	882,500	14.03	1,000,000
Province of Sask.	Mar. 30, 2003	12.25	431,250	14.38	500,000
Province of Sask.	Mar. 30, 2003	12.25	975,000	12.30	975,000
Province of Sask. (U.S.)	May 15, 2007	8.625	87,100	12.10	87,100
Province of Sask. (P.N.)	Oct. 31, 1986	11.75	5,000,000	11.75	5,000,000
Province of Sask. (U.S.)	Apr. 15, 2008	9.25	1,058,700	12.15	1,363,600
Province of Sask. (U.S.)	Apr. 15, 2008	9.25	540,855	12.50	715,890
Province of Sask. (U.S.)	Nov. 15, 2006	8.70	2,003,565	12.20	2,727,200
Ontario Hydro	Jan. 6, 2004	9.25	1,027,200	14.00	1,500,000
Ontario Hydro	Oct. 5, 2003	9.25	884,400	13.33	1,100,000
Ontario Hydro	Apr. 4, 2009	10.25	372,150	13.94	500,000
Ontario Hydro	May 10, 2009	10.00	859,050	13.56	1,150,000
Ontario Hydro	Aug. 28, 1994	13.00	997,500	13.04	1,000,000
Ontario Hydro	Jan. 29, 2001	10.25	823,750	12.85	1,000,000
Ontario Hydro	Jan. 29, 2001	10.25	884,800	12.44	1,000,000
New Brunswick Power	Nov. 1, 2004	13.25	496,875	13.34	500,000
Quebec Hydro	Mar. 27, 2004	10.75	159,000	13.79	200,000
Quebec Hydro	Sept. 30, 2005	13.25	475,000	14.00	500,000
Quebec Hydro (Coupons)	Sept. 30, 2005	13.25	1,112,603	13.95	6,625,000
Nova Scotia Power	Feb. 14, 2005	12.125	1,001,250	12.11	1,000,000
City of Edmonton	Mar. 15, 1993	12.25	445,450	14.50	500,000
City of Edmonton	Dec. 13, 2004	12.875	1,734,775	13.16	1,770,000
Newfoundland Hydro	Oct. 15, 2001	10.25	765,000	13.85	1,000,000
Prov. of Newfoundland	Oct. 15, 2004	13.50	500,000	13.50	500,000

Schedule of Investment Transactions

Bonds, Debentures and Coupons Purchased	Maturity Date	Interest Rate %	Cost	% Yield	Par Value
Gov't. of Canada Coupons	Mar. 15, 1998	13.85	106,687	N/A	687,500
Gov't. of Canada Coupons	Sept. 15, 1998	13.85	99,777	N/A	687,500
Gov't. of Canada Coupons	Mar. 15, 1999	13.85	93,315	N/A	687,500
Gov't. of Canada Coupons	Sept. 15, 1999	13.85	87,272	N/A	687,500
Gov't. of Canada Coupons	Mar. 15, 2000	13.85	81,620	N/A	687,500
C.I.B.C.	Dec. 18, 1986	11.50	1,000,000	11.50	1,000,000
Toronto Eaton Centre	Apr. 1, 2000	10.00	350,775	13.40	450,000
Westcoast Transmission	July 15, 2000	12.25	427,200	14.63	500,000
Molson	Oct. 1, 2000	8.50	231,250	9.41	250,000
T. Eaton Acceptance	Sept. 15, 1999	11.00	65,450	14.83	85,000
John Labatt	June 1, 2001	11.00	290,000	9.13	250,000
Household Finance	Feb. 12, 1988	11.25	2,000,000	11.25	2,000,000
Nova Corp.	July 12, 1989	14.00	500,000	14.00	500,000
I.P.L.N.W.	Apr. 1, 2004	13.40	500,000	13.40	500,000
Atrium on Bay	June 30, 1998	12.25	867,100	14.48	1,000,000
Royal Bank	Oct. 1, 2083	Floating	2,000,000	N/A	2,000,000
C.N.R.	Nov. 15, 2004	13.00	500,000	13.00	500,000
Manaita Coal Ltd.	May 18, 2003	12.75	487,350	13.12	500,000
Totals			$ 64,215,866		$ 78,581,290

Bonds, Debentures and Coupons Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
Gov't. of Canada	Dec. 15, 2000	9.75	$ 1,942,812	$ 1,981,910	$ 2,586,000
Gov't. of Canada	Dec. 15, 2000	9.75	831,250	767,500	1,000,000
Gov't. of Canada	May 1, 2001	13.00	507,281	510,195	525,000
Gov't. of Canada	Mar. 1, 2005	12.00	840,437	839,375	850,000
Gov't. of Canada	Mar. 1, 2005	12.00	148,312	134,437	150,000
Gov't. of Canada	Oct. 15, 1993	11.75	950,000	997,500	1,000,000
Gov't. of Canada	Apr. 1, 1994	13.00	493,125	492,500	500,000
Gov't. of Canada	Apr. 1, 1994	13.00	958,750	985,000	1,000,000
Gov't. of Canada	Oct. 1, 2006	14.00	508,300	496,250	500,000
Gov't. of Canada	Oct. 1, 2006	14.00	501,875	499,875	500,000
Gov't. of Canada	Oct. 1, 2006	14.00	530,000	516,250	500,000
Gov't. of Canada	Mar. 1, 2007	13.75	528,125	500,000	500,000
Gov't. of Canada	Mar. 1, 1994	12.00	1,095,875	996,875	1,100,000
Gov't. of Canada	Oct. 1, 1994	12.75	1,007,500	986,250	1,000,000
Gov't. of Canada	Dec. 15, 2002	11.25	1,018,875	1,028,500	1,100,000
Gov't. of Canada	Mar. 1, 2006	12.50	1,295,125	1,288,625	1,300,000
Province of Sask.	June 2, 2000	11.75	948,900	952,600	1,000,000
Province of Sask.	Mar. 30, 2003	12.25	442,500	490,000	500,000
Province of Sask.	Mar. 30, 2003	12.25	442,500	497,500	500,000
Province of Sask.	Mar. 30, 2003	12.25	457,500	472,000	500,000
Province of Sask.	Mar. 30, 2003	12.25	457,500	478,550	500,000
Province of Sask.	Mar. 30, 2003	12.25	882,000	968,750	1,000,000
Province of Sask.	Mar. 30, 2003	12.25	438,750	495,000	500,000
Province of Sask.	Mar. 30, 2003	12.25	907,830	964,000	1,000,000
Province of Sask.	Mar. 30, 2003	12.25	463,280	465,625	500,000
Province of Sask.	Mar. 30, 2003	12.25	463,280	449,800	500,000
Province of Sask.	Mar. 30, 2003	12.25	1,350,820	1,359,520	1,450,000
Province of Sask.	Mar. 30, 2003	12.25	465,800	442,200	500,000
Province of Sask.	Mar. 30, 2003	12.25	931,600	882,500	1,000,000
Province of Sask.	Mar. 30, 2003	12.25	479,375	431,250	500,000
Province of Sask.	Mar. 30, 2003	12.25	354,000	396,000	400,000
Ontario Hydro	Jan. 6, 2004	9.25	624,100	634,607	790,000

Schedule of Investment Transactions

Bonds, Debentures and Coupons Sold	Maturity Date	Interest Rate %	Received	Initial Cost	Par Value
Ontario Hydro	Jan. 6, 2004	9.25	505,600	480,320	640,000
Ontario Hydro	May 21, 2000	10.25	384,300	310,100	500,000
Ontario Hydro	Nov. 15, 1999	10.00	771,540	791,480	1,002,000
Ontario Hydro	Jan. 29, 2001	10.25	864,700	823,750	1,000,000
Quebec Hydro (US)	Aug. 1, 2005	9.75	502,615	480,798	638,250
Quebec Hydro	Sept. 30, 2005	13.25	476,250	475,000	500,000
Quebec Hydro (US)	June 15, 2010	10.75	200,665	205,297	255,300
Quebec Hydro (US)	Oct. 15, 2010	13.25	610,374	617,127	638,250
Nova Scotia Power	Feb. 14, 2005	12.125	973,750	1,001,250	1,000,000
Prov. of Nfld. (US)	Aug. 1, 2001	10.00	488,265	497,856	638,250
Prov. of Nfld. (US)	Feb. 1, 2001	10.50	510,366	525,723	638,250
Newfoundland Hydro	Oct. 15, 2001	10.25	817,500	765,000	1,000,000
Prov. of Newfoundland	Oct. 15, 2004	13.50	518,900	500,000	500,000
AVCO	Mar. 1, 1985	9.50	322,934	321,587	325,000
George Weston	June 15, 2000	12.75	25,000	25,000	25,000
George Weston	Dec. 1, 1997	14.125	25,000	25,000	25,000
Inland Natural Gas	Nov. 15, 1996	18.25	27,000	27,000	27,000
John Labatt	June 1, 2001	11.00	347,500	290,000	250,000
John Labatt	June 1, 2001	11.00	700,000	630,000	500,000
Consumers Gas	Nov. 30, 1996	17.75	19,000	19,000	19,000
Nova Corp.	Feb. 15, 1997	17.75	49,000	48,617	49,000
Hudson Bay Prop.	June 15, 1997	9.875	352,755	274,635	450,000
Pacific Northern Gas	May 1, 1997	18.00	53,000	53,000	53,000
Algoma Steel	Mar. 31, 1991	8.75	633,300	581,925	750,000
Totals			$ 33,446,691	$ 33,170,409	$ 36,674,300

Net Increase in bonds, debentures and coupons at par value (78,581,290 — 36,674,300)	$ 41,906,990
Add: Bonds, Debentures and Coupons as at March 31, 1984 at par value	103,203,300
Total bonds, debentures and coupons (par value) March 31, 1985	$ 145,110,290
Less: Unamortized discount	30,868,529
Total bonds, debentures and coupons (at amortized cost) March 31, 1985	$ 114,241,761
Total bonds, debentures and coupons (at amortized cost) March 31, 1984	83,070,489
Net increase in bonds, debentures and coupons at amortized cost	$ 31,171,272

Short Term Investments	Purchased	Disposed	Net
Transactions during year	$171,214,591	$154,199,714	$ 17,014,877

Insured Mortgages At Cost — Transactions During the Fiscal Year 1984-85	Interest Rate %	Purchased	Principal Reduction	Net
*Viking Rideau Corp.	—	$ —	$ 500,000	$ (500,000)
Morguard Trust — Albert Square	10.875	—	19,556	(19,556)
Maritime Life — Forest Gardens	11.275	41,497	—	41,497
Bancorp Financial Ltd. — E & E Hauling	11.50	15,680	—	15,680
T.D. Bank — Sunrise Gardens	12.90	16,763	76	16,687
H.A. Roberts — Regina Market Mall	13.90	—	3,197	(3,197)
Montrose Mortgage — Highfield Properties	11.875	7,919	113,003	(105,084)
Morguard Trust — Southgate Plaza	14.275	—	4,764	(4,764)
Morguard Trust — Comox Apartments	18.72	172	449,898	(449,726)
Co-Op Trust — Hugh Garner	15.65	—	967	(967)
Co-Op Trust — Briarview Co-Op	18.65	—	315	(315)

Schedule of Investment Transactions

Insured Mortgages At Cost — Transactions During the Fiscal Year 1984-85	Interest Rate %	Purchased	Principal Reduction	Net
Co-Op Trust — Ann Marie Hill (Phase I)	20.65	—	1,341	(1,341)
Co-Op Trust — Ann Marie Hill (Phase II)	19.40	—	26	(26)
Montrose Mortgage — Westfor	11.75	3,648	5,857	(2,209)
Bancorp Financial Ltd. — Birch Housing	21.90	—	108	(108)
Co-Op Trust — Frank Fairchild	21.40	9,725	580	9,145
Montrose Mtge. — Harvard & Dover	18.40	11,538	15,093	(3,555)
London Life — Nepean, Ontario	13.90	—	3,108	(3,108)
Morguard Trust — Parkview Square	13.375	—	11,354	(11,354)
Montrose Mtge. — Rivergate Estates	14.08	176,571	18,646	157,925
T.D. Bank — Denand Investments	14.25	2,273	—	2,273
Montrose Mtge. — Evergreen Place	14.50	916,103	—	916,103
Montrose Mtge. — Pines of Normanview	13.40	1,119,997	5,332	1,114,665
Great West Life — Wheatland Plaza	13.775	672	—	672
Morguard Trust — Kipling Towers	14.75	1,034,745	31,870	1,002,875
Morguard Trust — Glendale Lodge	14.75	983,229	8,663	974,566
Morguard Trust — Hyde Park I	13.25	500,000	17,347	482,653
Morguard Trust — Hyde Park II	14.625	46,000	517	45,483
Royal Trust — Surrey Place	10.125	848,306	14,318	833,988
Montrose Mtge. — Parkway Office Holdings	14.40	1,050,000	1,308	1,048,692
Winfield Dev. Ltd. — Victoria Ind. Pl.	—	9,774	—	9,774
Totals		$ 6,794,612	$ 1,227,244	$ 5,567,368

* Reclassfication (See Real Estate)

Corporate Shares at Cost — Transactions During the Fiscal Year 1984-85	Shares	Purchased	Disposed	Net
Bank America Corp.	(42,000)	$ —	$ 1,143,798	$ (1,143,798)
J. C. Penny	12,500	834,150	—	834,150
Eastman Kodak	(20,500)	—	1,970,933	(1,970,933)
Avon Products	(40,000)	—	1,248,680	(1,248,680)
C.P.C. International	50,000	2,535,547	—	2,535,547
C.P.C. International	(70,000)	—	3,293,709	(3,293,709)
Mobil Corp.	14,000	521,500	—	521,500
Mobil Corp.	(28,950)	—	1,073,736	(1,073,736)
Mobil Corp.	(15,800)	—	787,630	(787,630)
Argcen Holdings	26,200	503,620	—	503,620
Argcen Holdings	(73,800)	—	1,392,427	(1,392,427)
Xerox Corp.	7,500	366,856	—	366,856
Xerox Corp.	(32,500)	—	1,659,680	(1,659,680)
Canada Development Corp.	(9,740)	—	987,733	(987,733)
Bank of Montreal	30,000	715,500	—	715,500
Bank of Montreal	(30,000)	—	763,500	(763,500)
Standard Broadcasting	(39,900)	—	389,424	(389,424)
Standard Oil of Indiana	(15,000)	—	810,028	(810,028)
Tenneco	10,000	463,432	—	463,432
Tenneco	(10,000)	—	463,432	(463,432)
Nabisco Brands Inc.	(28,800)	—	1,216,598	(1,216,598)
Westcoast Transmission	15,000	204,000	—	204,000
Goldcorp Investments	23,800	153,153	—	153,153
Bell Canada	30,000	963,300	—	963,300
Bell Canada	(42,500)	—	1,296,112	(1,296,112)
Eli Lilly & Co.	(16,000)	—	1,214,771	(1,214,771)
Nova Corp. "A"	208,500	1,468,505	—	1,468,505
Nova Corp. "A"	(87,900)	—	616,179	(616,179)

Schedule of Investment Transactions

Corporate Shares at Cost — Transactions During the Fiscal Year 1984-85	**Shares**	**Purchased**	**Disposed**	**Net**
Smithkline Beckman	(18,000)	—	1,375,795	(1,375,795)
Trans Alta. Utilities "A"	26,000	531,700	—	531,700
Trans Alta. Utilities "A"	(49,000)	—	1,005,500	(1,005,500)
Dart & Kraft Inc.	(17,000)	—	1,398,062	(1,398,062)
Texas Instrument	7,000	1,154,435	—	1,154,435
Texas Instrument	(2,000)	—	319,320	(319,320)
Western Intl. Communications	130,700	874,132	—	874,132
Western Intl. Communications	(130,700)	—	874,132	(874,132)
Royal Bank of Canada	30,000	801,750	—	801,750
Royal Bank of Canada	(30,000)	—	801,750	(801,750)
Clorox Co.	25,000	814,672	—	814,672
Clorox Co.	(25,000)	—	814,672	(814,672)
Burlington Northern	59,900	3,515,721	—	3,515,721
Burlington Northern	(59,900)	—	3,515,721	(3,515,721)
Union Gas	91,000	974,155	—	974,155
Union Gas	(91,000)	—	974,155	(974,155)
Tandy Corp.	30,000	1,042,904	—	1,042,904
Tandy Corp.	(30,000)	—	1,042,904	(1,042,904)
Union Carbide Corp.	23,500	1,497,080	—	1,497,080
Union Carbide Corp.	(23,500)	—	1,497,080	(1,497,080)
I. U. International	47,600	1,011,488	—	1,011,488
I. U. International	(47,600)	—	1,011,488	(1,011,488)
InterCo.	20,000	1,506,245	—	1,506,245
Kerr, McGee Corp.	30,000	1,204,842	—	1,204,842
Kerr, McGee Corp.	(30,000)	—	1,204,842	(1,204,842)
Trilon Financial Corp.	53,000	1,572,145	—	1,572,145
Trilon Financial Corp.	(25,000)	—	624,376	(624,376)
Royal Trust EuroPac	—	1,000,000	—	1,000,000
American Hospital Services	44,300	1,857,362	—	1,857,362
American Hospital Services	(41,300)	—	1,731,581	(1,731,581)
Revlon Inc.	25,200	1,198,270	—	1,198,270
C.B.S. Inc.	15,000	1,486,076	—	1,486,076
C.B.S. Inc.	(15,000)	—	1,486,076	(1,486,076)
W. R. Grace & Co.	32,000	1,803,784	—	1,803,784
Texaco Canada	19,000	328,700	—	328,700
Standard Oil of Ohio	20,000	1,250,498	—	1,250,498
Richardson Vicks	10,000	341,680	—	341,680
Molson	50,000	829,500	—	829,500
Totals		$ 35,326,702	$ 40,005,824	$ (4,679,122)

Schedule of Investment Transactions

Real Estate Equity — Transactions for the Fiscal Year 1984-85	**Purchased**	**Disposed**	**Net**
*Viking Rideau Corp.	$ 500,000	$ —	$ 500,000
Pension Fund Realty — Lawson Heights	34,676	—	34,676
Pension Fund Realty — Development Series I	—	33,474	(33,474)
Parkview Properties Ltd.	12,505	—	12,505
Pension Fund Realty — Riverview Series	79,269	—	79,269
Pension Fund Realty — Met. Toronto Conv.	472,909	—	472,909
SaskPen Prop. — Bk of Montreal Leasehold	608,000	—	608,000
SaskPen Prop. — Cornwall Parkade	40,000	—	40,000
SaskPen Prop. — Victoria Plaza East	63,569	—	63,569
SaskPen Prop. — Victoria Plaza West	188,659	—	188,659
H.A. Roberts — South Broad Plaza	58,013	1,535	56,478
Winfield Dev. Ltd. — Victoria Ind. Pl.	2,294	24	2,270
Pension Fund Realty — Albert & Bank, Ottawa	117,294	—	117,294
Pension Fund Realty — Slater/Metcalfe	150,505	—	150,505
Parkway Office Holdings — Montrose Mtge.	25,000	—	25,000
Totals	$ 2,352,693	$ 35,033	$ 2,317,660

* Reclassification (See Mortgages)

Summary of Investment Transactions (At Cost)	**1983-84**	**1984-85**
Bonds, Debentures and Coupons (at amortized cost)	$ 28,574,962	$ 31,171,272
Insured Mortgages	1,399,313	5,567,368
Corporate Shares	16,201,419	(4,679,122)
Real Estate Equity	1,827,925	2,317,660
Short Term	(461,673)	17,014,877
Total Investment Transactions — Net Increase	$ 47,541,946	$ 51,392,055
Investments Beginning of Fiscal Year (at cost)	98,270,746	145,812,692
Investments End of Fiscal Year (at cost)	$145,812,692	$197,204,747

Public Employees (Government Contributory) Superannuation Fund

Financial Statements

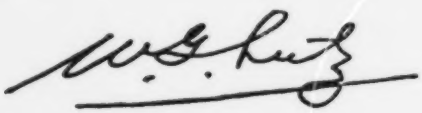
For the Year Ended March 31, 1985

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Public Employees (Government Contributory) Superannuation Fund as at March 31, 1985 and the statements of changes in members' accumulated balances, annuity underwriting operations and retained earnings and changes in unallocated fund balance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1985 and the results of its operations for the year then ended, in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
September 11, 1985.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

Public Employees Superannuation Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Financial Position
As at March 31

	1985	1984
Assets		
Contributions and transfers receivable	$ 2,683,599	$ 2,597,287
Accrued investment income	4,998,966	3,664,348
Investments (Note 3, 7)	197,204,747	145,812,692
Unamortized loss on investments sold (net)	958,757	975,505
	$ 205,846,069	$ 153,049,832
Liabilities and Fund Balance		
Liabilities:		
Bank indebtedness, including outstanding cheques	$ 1,073,143	$ 653,865
Refunds, transfers and other payables	386,368	326,080
Deferred revenue	24,800	—
Members' accumulated balances (Statement 2) (Note 4)	203,219,333	151,390,166
Accumulated provision for annuities payable (Note 5, 6)	1,108,477	676,400
	205,812,121	153,046,511
Fund Balance:		
Unallocated members' fund balance (Statement 4)	7,194	3,321
Retained earnings — annuity operations (Statement 3) (Note 6)	26,754	—
	$ 205,846,069	$ 153,049,832

(See accompanying notes)

Statement 2

Public Employees Superannuation Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Statement of Changes in Members' Accumulated Balances
Year Ended March 31

	1985	1984
Members' accumulated balances, beginning of year	$ 151,390,166	$ 106,254,208
Add:		
Employee and employer current contributions	31,757,640	29,573,399
Reciprocal transfers in	890,772	1,075,061
Earnings allocated to members (Statement 4)	23,217,072	18,025,142
	207,255,650	154,927,810
Deduct:		
Termination refunds	1,844,174	2,399,482
Lump sum retirement benefits	868	756
Death benefits	199,525	106,104
Transfers to annuity underwriting operations (Statement 3)	454,816	397,538
Reciprocal transfers out	1,536,934	633,764
	4,036,317	3,537,644
Members' accumulated balances, end of year	$ 203,219,333	$ 151,390,166

(See accompanying notes)

Public Employees Superannuation Supervisory Board

Statement 3

Public Employees (Government Contributory) Superannuation Fund

Statement of Annuity Underwriting Operations and Retained Earnings

Year Ended March 31

	1985	1984
Revenue:		
Transfer of accumulated balances of members electing to have retirement annuities underwritten by the Plan (Statement 2)	$ 454,816	$ 397,538
Earnings allocated (Statement 4)	118,693	71,609
Total Revenue	573,509	469,147
Expense:		
Annuities paid	114,678	64,588
Change in accumulated provision for annuities payable (Note 5)	432,077	404,559
Total Expense	546,755	469,147
Net income and retained earnings (Note 6)	$ 26,754	$ –

(See accompanying notes)

Public Employees Superannuation Supervisory Board

Statement 4

Public Employees (Government Contributory) Superannuation Fund

Statement of Changes in Unallocated Fund Balance

Year Ended March 31

	1985	1984
Unallocated fund balance, beginning of year	$ 3,321	$ 2,325
Add:		
Investment earnings	23,339,638	18,097,747
	23,342,959	18,100,072
Deduct:		
Allocation of earnings to:		
— members' accumulated balances (Statement 2)	23,217,072	18,025,142
— annuity underwriting operations (Statement 3)	118,693	71,609
	23,335,765	18,096,751
Unallocated fund balance, end of year	$ 7,194	$ 3,321

(See accompanying notes)

Public Employees Superannuation Supervisory Board
Public Employees (Government Contributory) Superannuation Fund
Notes to Financial Statements
March 31, 1985

1. **Description of Plan**
The Superannuation (Supplementary Provisions) Act established the Public Employees (Government Contributory) Superannuation Plan effective October 1, 1977. Specified contributions and interest earnings thereon are accumulated for each contributor in the Fund for the ultimate purpose of providing for a guaranteed life annuity for the contributor at the time of retirement.

2. **Significant Accounting Policies**

a) **Investments**

The Fund records all investment transactions at cost.

Premiums and discounts on the acquisition of bonds, debentures and coupons are amortized to earnings over the term of the security.

Gains or losses on disposal of fixed income securities are deferred and amortized over the remaining term of the security sold.

b) **Reciprocal Transfers**

Reciprocal agreements have been signed with other pension plans, setting forth conditions and procedures for the transfer of an individual's accumulated contributions and earnings to or from another pension plan following a change in employment. Such transfers into (out of) the Fund are recorded as receivable (payable) at the date on which an authorization for the transfer of funds is signed by the employee, provided that information is available to allow calculation of the amount to be transferred.

c) **Annuity Underwriting Operations**

For those members who have elected to have their retirement annuities underwritten by the plan, the members' accumulated balances at the date of retirement are transferred to the annuity underwriting operations.

Since the underwriting operations represent a claim on the Fund's assets, a proportionate share of the investment earnings of the Fund is allocated to the operations.

Annuity payments include both principal and interest portions.

The accumulated provision for annuities payable represents the present value of the plan's future expected payment obligations in connection with those annuities underwritten by the plan. The present value is determined by discounting the expected payment stream by using an appropriate interest rate factor. Adjustments are made to the provision, pursuant to an actuarial valuation. The resulting change in the liability each year is recorded as revenue or expense.

Notes to Financial Statements

3. Investments

	1985		1984	
	Cost	Market Value	Cost	Market Value
Bonds and debentures, at par value:				
Government of Canada	$ 21,640,000	$ 21,777,606	$ 6,486,000	$ 5,532,810
Province of Saskatchewan	28,997,290	27,123,532	22,848,500	17,812,158
Other provinces and provincially guaranteed	17,085,000	15,512,123	15,875,300	14,856,814
Corporate	45,112,000	46,509,321	38,050,000	37,286,197
Municipal	5,676,000	5,608,991	3,406,000	3,071,007
Total bonds and debentures at par value	118,510,290		86,665,800	
Less unamortized discounts	9,286,618		6,451,244	
Total bonds and debentures at amortized cost	109,223,672	116,531,573	80,214,556	78,558,986
Coupons at maturity value	26,600,000		16,537,500	
Less unamortized discounts	21,581,911		13,681,567	
Coupons at amortized cost	5,018,089	5,476,826	2,855,933	2,497,576
Mortgages	19,702,158	19,509,886	14,134,790	14,304,494
Corporate shares	27,432,134	28,496,506	32,111,256	31,928,801
Short-term investments	28,719,230	28,719,230	11,704,353	11,704,353
	190,095,283	$ 198,734,021	141,020,888	$ 138,994,210
Real Estate Equities	7,109,464	*	4,791,804	*
	$ 197,204,747		$ 145,812,692	

*No independent valuation of the real estate equities has been conducted as at March 31, 1985. As a result market values have not been included in this schedule.

4. Members' Accumulated Balances

This item represents the aggregate of employer and employee contributions together with proportionate earnings of the Fund as allocated at each fiscal year-end. Proportionate earnings are also allocated during the year in respect of termination refunds and other benefits based on the rate prevailing at the previous fiscal year-end.

An amendment to The Superannuation (Supplementary Provisions) Act established revised vesting provisions for the Plan for contributors who commenced employment on or after August 1, 1982. For these persons, all contributions and earnings thereon will be permanently vested and locked in when the contributor reaches age 25 with one year of service, or at the completion of one year of service if over the age of 25 years at commencement of employment. For persons who commenced employment prior to August 1, 1982, all contributions and earnings thereon will continue to be permanently vested and locked in upon completion of three years' participation in the Plan.

The approximate portion of the accumulated balances which are vested at the respective fiscal year ends is summarized below:

	1985	1984
	(000's)	(000's)
Amount vested	$ 194,130	$ 130,144
Amount not vested	9,089	21,246
Total members' accumulated balances	$ 203,219	$ 151,390

Notes to Financial Statements

5. **Actuarial Valuation of Annuity Underwriting Operations**

An actuarial valuation was performed as at March 31, 1984 on the annuities underwritten by the Public Employees (Government Contributory) Superannuation Plan. The actuary valued the liabilities using the original annuity interest rates with a reduction to 6% after 15 years and the 1971 Group Annuity Mortality Table. Assets were valued at an amount equal to the original balances transferred in, less annuity payments plus interest on the balance. This method yielded the following results:

Assets	$676,400
Liabilities	649,646
Surplus	$ 26,754

6. **Subsequent Event**

Subsequent to year end, legislation was passed which amended The Superannuation (Supplementary Provisions) Act creating a separate annuity fund. The related assets and accumulated balances of members who have chosen this annuity option will be transferred to the annuity fund and all annuities will be paid out of the fund. As a result, annuity underwriting activity will no longer be a part of these financial statements.

7. **Commitments**

Total investment commitments at March 31, 1985 amounted to approximately $7,800,000.

8. **Related Party Transactions**

In accordance with section 39(4) of The Superannuation (Supplementary Provisions) Act all general administrative and employee costs required for the administration of the Fund are paid out of the Consolidated Fund of the Province of Saskatchewan. Accordingly, no provision for these costs is included in these financial statements.